

**BEFORE THE TENNESSEE REGULATORY AUTHORITY**

REC'D TN  
REGULATORY AUTH.

**In the Matter of the Application of )  
Worldwide Fiber Networks, Inc. for )  
a Certificate to Provide Competing )  
Intrastate and Interstate Interexchange )  
and Local Exchange Services in )  
Tennessee )**

'99 AUG 4 AM 9 13  
No. 99-00556 FILE  
EXECUTIVE SECRETARY

**APPLICATION**

Pursuant to applicable Tennessee Statutes and the Rules and Regulations of the Tennessee Regulatory Authority ("TRA") and Section 253 of the Federal Telecommunications Act of 1996 ("The Act"), Worldwide Fiber Networks, Inc. ("WFN" or "Applicant") respectfully requests that the TRA grant to WFN authority to provide competing intrastate and interstate interexchange services and local exchange services in the State of Tennessee. WFN is willing and able to comply with all applicable rules and regulations in Tennessee pertaining to the provision of competing local and long distance telecommunications services. In support of its Application, WFN submits the following information:

**1. The full name and address of the Applicant is:**

Worldwide Fiber Networks, Inc.  
1333 West 120<sup>th</sup> Avenue, Suite 216  
Westminster, Colorado 80234  
T: (303) 450-5130  
F: (303) 450-6102

Additional information regarding the Applicant's operations may be found at the company's internet site (<http://www.worldwidefiber.com>).

Questions regarding this Application and general ongoing company concerns should be directed to:

Julie R. Hawkins  
Assistant General Counsel  
Worldwide Fiber Networks, Inc.  
1333 West 120<sup>th</sup> Avenue, Suite 216  
Westminster, Colorado 80234  
Telephone: (303) 450-5130  
Facsimile: (303) 450-6102  
[Jhawkins@worldwidefiber.com](mailto:Jhawkins@worldwidefiber.com)

**2. Names and addresses of all officers in Tennessee**

WFN's Officers may all be contacted through WFN's principal office (listed above) and are as follows:

**OFFICERS**

- |                       |   |
|-----------------------|---|
| 1) David Lede         | Chairman and Chief Executive Officer      |
| 2) Cliff Lede         | Vice Chairman and Chief Operating Officer |
| 3) Ronald Stevenson   | Executive Vice President                  |
| 4) Larry Olsen        | Vice Chairman                             |
| 5) John Mandrusiak    | Executive Vice President                  |
| 6) Stephen Stow       | Executive Vice President                  |
| 7) Lionel Desmarias   | Senior Vice President                     |
| 8) Jerry Tharp        | President                                 |
| 9) James Cox          | Vice President, Planning and Development  |
| 10) Bruce Tinney      | Vice President, Business Development      |
| 11) Patrick Summers   | Vice President, Legal and General Counsel |
| 12) Matt Milstead     | General Manager (East Coast)              |
| 13) Carmen Drollinger | Financial Controller                      |

**3. Corporate Information**

Applicant is incorporated in the State of Nevada and is in good standing under the laws of that state. A certified copy of the Company's Articles of Incorporation is attached to this Application as **Exhibit A**. A copy of WFN's Authority to transact business in the State of Tennessee is attached as **Exhibit B**.

**4. Repair and Maintenance Information**

All complaints will be registered and resolved through WFN's toll-free number. This number is 1 (877) 735-7366. This number will connect callers to personnel available during regular working hours to respond to inquiries about service or billing. An answering service is utilized outside normal business hours for emergency purposes. Customers may also contact the company in writing at WFN's corporate office.

**5. Status of WFN in other states**

WFN is currently authorized to provide interexchange services in Washington and Oregon. WFN has pending Applications for both local and interexchange authority in Colorado, Iowa, Illinois and Kentucky and pending interexchange applications in California and Nebraska. WFN is in the process of applying for certificates of authority to provide interexchange and competitive local exchange services in the majority of the contiguous states. No such applications have been dismissed or denied.

**6. Financial, Managerial and Technical Qualifications**

The senior management of WFN offers extensive technical and managerial expertise to Worldwide Fiber. The profiles of Worldwide Fiber's officers and key personnel provided in **Exhibit C** to this application provide further evidence of Worldwide Fiber's managerial and technical capability to provide telecommunications services.

WFN was ultimately formed by Leducor Industries (established in 1947)<sup>1</sup> to build and develop diverse fiber optic networks throughout North America and the international marketplace. The people at WFN have been designing, engineering and developing communications networks for over twelve years, first as the telecommunications division of Leducor, and since May 1998, as a separate subsidiary (WFN) of our ultimate parent company, Leducor.

As a wholly owned subsidiary, the Applicant will have all of the assets of its immediate parent company available. A copy of the parent company's (Worldwide Fiber (USA), Inc.) most recent audited financials is attached as **Exhibit E**. The attached financial statements do not reflect any amounts related to reciprocal compensation for terminating ISP traffic.

WFN's services will satisfy the minimum standards established by the TRA. The company will file and maintain tariffs in a manner prescribed by the TRA and will meet the minimum basic local standards, including quality of service and billing standards required of all LECs regulated by the TRA. Attached as **Exhibit F** is the notarized testimony of Patrick F. Summers, Vice President, General Counsel of WFN, regarding the Applicant's technical, managerial and financial abilities to provide the proposed services.

As the foregoing illustrates, WFN possesses the requisite managerial, technical and financial qualifications required by the TRA to provide telecommunications services in Tennessee.

## **7. Proposed Service Area**

The Applicant proposes to offer local services throughout the State of Tennessee in areas

---

<sup>1</sup> A corporate organizational chart is appended hereto as **Exhibit D**.

currently served by BellSouth and Sprint/United which are currently open to competition, and interexchange services statewide. The Applicant tentatively proposes to install its fiber optic cable network from north to south down the west side of the State of Tennessee ultimately reaching Memphis. The exact location of the route may vary according to local permits and right of way agreements.

#### **8. Proposed telecommunications services**

The Applicant will be a facilities-based provider of technologically advanced dark fiber and related infrastructure as well as high-bandwidth fiber optic transmission capacity. The Applicant is building a North American network consisting of two primary east-west routes and three primary north-south routes. WFN will provide high capacity interexchange and local transport on a leased long-term basis and may provide broadband services. The Applicant does not plan to offer voice grade services at this time. Should the Applicant plan to offer voice grade services, it will file a Toll Dialing Parity Plan with the TRA and will file the Wireline Activity Report monthly as required by Tennessee Regulations.

#### **9. Regulatory Provisions**

The Applicant does not currently plan to require deposits and currently no nonrecurring charges are set to be remitted to customers.

Tennessee customers will not be required to purchase CPE which could not be used with other ILEC systems.


Notice of this Application has been served on all seventeen (17) ILECs in Tennessee in compliance with Authority requirements. A copy of this notice and certificate of service is attached as **Exhibit G**.

Attached as **Exhibit H** is WFN's Small and Minority Owned Telecommunications Business Participation Plan.

**10. Statement of Compliance**

WFN agrees to abide by all applicable statutes and all applicable Orders, rules and regulations entered and adopted by the Tennessee Regulatory Authority.

Respectfully submitted this 20<sup>th</sup> day of July, 1999.  
WORLDWIDE FIBER NETWORKS, INC.

By:   
Julie R. Hawkins  
Assistant General Counsel  
Worldwide Fiber Networks, Inc.  
1333 West 120<sup>th</sup> Avenue, Suite 216  
Westminster, Colorado 80234

**VERIFICATION**

**STATE OF COLORADO**

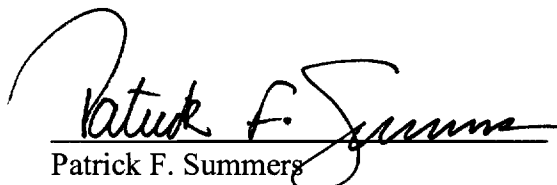
)

)

**COUNTY OF ADAMS**


)

Patrick F. Summers, being first duly sworn, deposes and states that he is Vice President, General Counsel of Worldwide Fiber Networks, Inc. and is authorized to make this verification; that he has read the foregoing Application and knows the contents thereof, and he is authorized by Worldwide Fiber Networks, Inc. to verify that the contents of the Application is true.



Patrick F. Summers  
Vice President, General Counsel  
Worldwide Fiber Networks, Inc.

Subscribed and sworn to before me on the 23 day of July, 1999



Notary Public  
State of Colorado

My Commission expires: 01/09/2001

## **EXHIBIT A**



04/07/99 18:51

BSJCL + 6P4 600 0829

NO. 487 P003/005

FILED 15:18  
 IN THE OFFICE OF THE  
 SECRETARY OF STATE OF THE  
 STATE OF NEVADA

BSJCL 7356345725

NO. 459 P005/000

APR 01 1999

C13871-98

## ARTICLES OF MERGER

Dean Heller  
 DEAN HELLER, SECRETARY OF STATE

These Articles of Merger are made this 2nd day of March, 1999, between Pacific Fiber Link For-Sac, Inc., a Nevada corporation (sometimes referred to herein as the "Nevada Corporation" or the "Surviving Corporation") and Pacific Fiber Link, LLC, a Washington limited liability company (sometimes referred to herein as the "Washington LLC" or the "Merged Company").

## RECITALS

A. The Nevada Corporation is a corporation duly organized and existing under the laws of the State of Nevada, its registered office located at 1575 Delucchi Lane, Ste. 224, Reno, Nevada 89502.

B. The Washington LLC is a limited liability company duly organized and existing under the laws of the State of Washington with its registered office located at 1420 Fifth Avenue, Ste. 3510, Seattle, Washington 98101-4031.

C. The Nevada Corporation and the Washington LLC deem it desirable and in their best interests that the Washington LLC be merged into the Nevada Corporation in accordance with the provisions of Chapter 92A of the Nevada Revised Statutes.

## I.

An agreement and plan of merger has been approved and adopted by the Nevada Corporation, through its board of directors, and submitted and approved by its stockholders pursuant to Chapter 92A of the Nevada Revised Statutes as set forth below:

Designation of Shares:	Common
Number of Votes Entitled to be Cast:	100
Number of Votes for Plan:	100
Number of Votes Against Plan:	0

The number of votes of the stockholders for the plan was sufficient for approval.

## II.

An agreement and plan of merger has been approved and adopted by the Washington LLC, through its managing member and management committee, and submitted and approved unanimously by its sole member possessing a 100% membership interest, pursuant to the laws of the State of Washington.

04/07/99 18:51 BSJCL + 6 688 0829

04/01/99 15:18 688 0829

NO. 487 P004/005

NO. 488 P007/008

## III.

The Articles of Incorporation of the Surviving Corporation shall continue to be its Articles of Incorporation, except that according to the agreement and plan of merger Article I is amended to read:

## I. NAME

The name of the corporation is WORLDWIDE FIBER NETWORKS, ✓  
INC.

## IV.

The complete executed agreement and plan of merger is on file at the registered office of the Surviving Corporation, 1675 Delucchi Lane, Ste. 224, Reno, Nevada 89502.

## V.

On the effective date of the merger, the separate existence of the Merged Company shall cease, and the Surviving Corporation shall succeed to all the rights, privileges, immunities, and franchises, and all the property, real, personal, and mixed, of the Merged Company, without the necessity for any separate transfer. The Surviving Corporation shall thereafter be responsible and liable for all liabilities and obligations of the Merged Company, and neither the rights of creditors nor any liens on the property of the Merged Company shall be impaired by the merger.

## VI.

The merger takes effect upon the filing of these Articles of Merger.

PACIFIC FIBER LINK FOR-SAC, INC. \*

By:   
Jerry Tharp, President

By:   
Ron Stevenson, Secretary

04/07/99 12:51 BSJCL + 65 308 0829

NO. 487 P005/005

04/01/99 15:18 BSJCL + 735684575

NO. 459 P006/006

STATE OF Colorado  
COUNTY OF Adams ) ss.

On this 26 day of March, 1999, personally appeared before me, a Notary Public, JERRY THARP, who acknowledged to me that he executed the foregoing ARTICLES OF MERGER.

Katherine L. Head  
NOTARY PUBLIC

STATE OF Washington  
COUNTY OF Vaneman ) ss.

On this 23rd day of March, 1999, personally appeared before me, a Notary Public, RON STEVENSON, who acknowledged to me that he executed the foregoing ARTICLES OF MERGER.

Ron Stevenson  
NOTARY PUBLIC  
BRUCE TAYLOR  
CAMPNEY & MURPHY  
P.O. Box 6000  
1111 West Columbia Street  
Vancouver, B.C. Canada V7E 1N1

04/19/99 15:08 FAX 1 702 825 9332  
04/19/99 14:37 FAX 604 688 0829

PACIFIC FIBER LINK  
CAMPNEY & MURPHY

0002/008

NO. 657 P083/008

11/30/98 11:46 85JCL + 604 688 0829

# SECRETARY OF STATE



## CORPORATE CHARTER

I, DEAN HELLER, the duly elected and qualified Nevada Secretary of State, do hereby certify that PACIFIC FIBER LINK POR-SAC, INC. did on June 12, 1998 file in this office the original Articles of Incorporation; that said Articles are now on file and of record in the office of the Secretary of State of the State of Nevada, and further, that said Articles contain all the provisions required by the law of said State of Nevada.

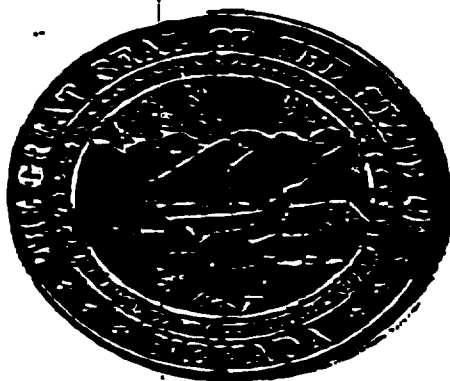
IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Great Seal of State, at my office, in Carson City, Nevada, on June 15, 1998.

*Dean Heller*

Secretary of State

By

*Kelly R. Dawesport*  
Certification Clerk



11/30/98 MON 11:39 [TX/MX NO 5180]

11/30/98 16:25

BSJCL + 684 688 0829

**FILED**  
IN THE OFFICE OF THE  
SECRETARY OF STATE OF THE  
STATE OF NEVADA

JUN 18 1998

No. **C13871-98**  
*Dean Heller*  
DEAN HELLER, SECRETARY OF STATE

## ARTICLES OF INCORPORATION OF

### PACIFIC FIBER LINK POR-SAC, INC.

That I, the undersigned, have this day voluntarily acted for the purpose of forming a corporation under the laws of the State of Nevada, and to that end, I do hereby certify:

#### I. NAME

The name of the corporation is PACIFIC FIBER LINK POR-SAC, INC.

#### II. AGENT FOR SERVICE OF PROCESS

The name and address of the initial Resident Agent and location of the Registered Office in this state is Beckley, Singleton, Jamison, Cobeaga & List, 1575 Delucchi Lane, Suite 224, Reno, Nevada 89502.

#### III. PURPOSE

The purpose of the corporation, and the nature of the business and objects proposed to be transacted and carried on by it are:

To engage in any lawful act or activity for which a corporation may be organized under the laws of the State of Nevada other than the banking business, the trust company business or the practice of a profession permitted to be incorporated under the laws of the State of Nevada.

#### IV. STOCK

The corporation is authorized to issue one class of shares, which shall be designated "common shares," having a total number of 25,000 shares. Each such

11/30/98 16:26 BSJCL -> 604 688 0829

share, when issued, shall have one (1) vote.

## V. NUMBER OF DIRECTORS

The members of the governing board of the corporation shall be styled "Directors," and the initial Board of Directors shall be one (1) in number.

The number of directors may, at any time or times, be increased or decreased by a duly adopted amendment to these Articles of Incorporation, or in such manner as shall be provided in the By-Laws of the corporation or by an amendment to the By-Laws of the corporation duly adopted by either the Board of Directors or the shareholders.

## VI. INITIAL DIRECTORS

The name and address of the First Board of Directors is as follows:

David Lede  
#1000 - 1066 West Hastings Street  
Vancouver, British Columbia  
Canada V6E 3X1

## VII. INCORPORATOR

The name and post office address of the incorporator signing these Articles of Incorporation is as follows:

Lance P. Maiss  
Beckley, Singleton, Jamison, Cobecaga & List  
1575 Delucchi Lane, Suite 224  
Reno, Nevada 89502

### VIII. ASSESSABILITY OF SHARES

The capital stock of this corporation, after the amount of the subscription price has been paid, shall not be subject to assessment to pay the debts of the corporation, and no stock issued as fully paid shall be assessable or assessed, nor shall the private property of the stockholders, directors or officers of this corporation be subject to the payment of any corporate debts to any extent whatsoever, and in this particular, the Articles of Incorporation shall not be subject to amendment.

### IX. INDEMNIFICATION AND LIMITATION ON LIABILITY

Every person who was or is a party, or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or she or a person of whom he or she is the legal representative, is or was a director or officer of the corporation, or is or was serving at the request of the corporation as a director or officer of another corporation, or as its representative in a partnership, joint venture, trust or other enterprise, shall be indemnified and held harmless to the fullest extent legally permissible under the laws of the State of Nevada, as amended, against all expenses, liability and loss (including attorneys' fees), judgments, fines and amounts paid in connection therewith. Such right of indemnification shall be a contract right which may be enforced in any manner desired by such person. Such right of indemnification shall not be exclusive of any other right which such directors, officers or representatives may have or hereafter acquire, and, without limiting the generality of such statement, they shall be entitled to their respective rights of indemnification under any By-Law, agreement, vote of

11/30/98 16:26 B3FCL + 604 688 8829

stockholders, provision of law, or otherwise, as well as their rights under this Article.

The personal liability of a director or officer of the corporation or its stockholders, shall be limited to the fullest extent provided by Nevada law, as amended, for damages for breach of fiduciary duty as an officer or director. This provision shall not eliminate the liability of a director or officer for acts or omissions which involved intentional misconduct, fraud, a knowing violation of the law or the payment of dividends in violation of NRS 78.300.

Expenses of directors and officers incurred in defending a civil or criminal action, suit or proceeding, must be paid by the corporation as they are incurred and in advance of the final disposition of the action, suit or proceeding, upon receipt of and undertaking by or on behalf of the director or officer to repay the amount if it is ultimately determined by a court of competent jurisdiction that he or she is not entitled to be indemnified by the corporation. This does not affect the rights to advancement of expenses which corporate personnel, other than directors or officers, may be entitled to under any contract or otherwise by law.

Without limiting the application of the foregoing, the Board of Directors may adopt By-Laws from time to time with respect to indemnification, to provide at all times the fullest indemnification permitted by the laws of the State of Nevada, and may cause the corporation to purchase and maintain insurance on behalf of any person who is or was a director or officer of the corporation, or is or was serving at the request of the corporation as a director or officer of another corporation, or as its representative in a partnership, joint venture, trust or other enterprise against any liability asserted



11/30/98 16:27 BSJCL 624 688 8829

against such person and incurred in any such capacity or arising out of such status, whether or not the corporation would have the power to indemnify such person.

## **X. RIGHTS, PREFERENCES, PRIVILEGES AND RESTRICTIONS**

Unless otherwise determined by the Board of Directors, no holder of stock of the corporation shall be entitled as such, as a matter of right, to purchase or subscribe for any stock of any class which the corporation may issue or sell, whether or not exchangeable for any stock of the corporation of unissued shares authorized by the Articles of Incorporation of the corporation as originally filed or by any amendment thereof, or out of shares of stock of the corporation acquired by it after the issue thereof, and whether issued for cash, labor performed, personal property, real property, or leases thereof, nor shall he be entitled to any right of subscription to any thereof; nor, unless otherwise determined by the Board of Directors, shall any holder of any shares be entitled as such, as a matter of right, to purchase or subscribe for any obligation which the corporation may issue or sell that shall be convertible into or exchangeable for any shares of the stock of its capital stock of any class or classes.

IN WITNESS WHEREOF, I have hereunto set my hand this 16<sup>th</sup> day of June, 1998, hereby declaring and certifying that the facts stated hereinabove are true.

  
\_\_\_\_\_  
LANCE P. MAISS

04/19/99 15:11 FAX 1 702 825 9332  
04/19/99 14:38 FAX 804 888 0829

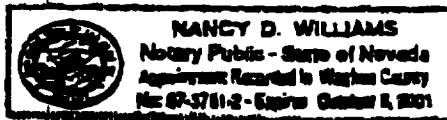
PACIFIC FIBER LINK  
CAMPNEY & MURPHY

008/008  
NO.665 P813/813

11/30/98 16:27 BSJCL + 684 688 8829

State of Nevada )  
County of Washoe )ss:

On June 1<sup>st</sup> 1998, personally appeared before me, a Notary Public,  
Lance P. Maiss, who acknowledged that he executed the above instrument.



*[Signature]*  
NOTARY

## **EXHIBIT B**

# Secretary of State

## Corporations Section

James K. Polk Building, Suite 1800

Nashville, Tennessee 37243-0306

DATE: 07/08/99

REQUEST NUMBER: 3710-0596

TELEPHONE CONTACT: (615) 741-2286

FILE DATE/TIME: 07/08/99 1120

EFFECTIVE DATE/TIME: 07/08/99 1120

CONTROL NUMBER: 0373672

TO:

WORLDWIDE FIBER NETWORKS, INC.  
1575 DELUCCHI LANE  
STE 224  
RENO, NV 89502

RE:

WORLDWIDE FIBER NETWORKS, INC.  
APPLICATION FOR CERTIFICATE OF AUTHORITY -  
FOR PROFIT

WELCOME TO THE STATE OF TENNESSEE. THE ATTACHED CERTIFICATE OF  
AUTHORITY HAS BEEN FILED WITH AN EFFECTIVE DATE AS INDICATED ABOVE.

A CORPORATION ANNUAL REPORT MUST BE FILED WITH THE SECRETARY OF STATE  
ON OR BEFORE THE FIRST DATE OF THE FOURTH MONTH FOLLOWING THE CLOSE OF THE  
CORPORATION'S FISCAL YEAR. PLEASE PROVIDE THIS OFFICE WITH WRITTEN  
NOTIFICATION OF THE CORPORATION'S FISCAL YEAR. THIS OFFICE WILL MAIL THE  
REPORT DURING THE LAST MONTH OF SAID FISCAL YEAR TO THE CORPORATION AT THE  
ADDRESS OF ITS PRINCIPAL OFFICE OR TO A MAILING ADDRESS PROVIDED TO THIS  
OFFICE IN WRITING. FAILURE TO FILE THIS REPORT OR TO MAINTAIN A REGISTERED  
AGENT AND OFFICE WILL SUBJECT THE CORPORATION TO ADMINISTRATIVE REVOCATION  
OF ITS CERTIFICATE OF AUTHORITY.

WHEN CORRESPONDING WITH THIS OFFICE OR SUBMITTING DOCUMENTS FOR  
FILING, PLEASE REFER TO THE CORPORATION CONTROL NUMBER GIVEN ABOVE.

FOR: APPLICATION FOR CERTIFICATE OF AUTHORITY -  
FOR PROFIT

ON DATE: 07/08/99

FROM:  
C T CORPORATION SYSTEM (SEATTLE, WA.)  
520 PIKE  
SUITE 2610  
SEATTLE, WA 98101-0000

RECEIVED: FEES \$600.00 \$0.00  
TOTAL PAYMENT RECEIVED: \$600.00

RECEIPT NUMBER: 00002519307  
ACCOUNT NUMBER: 00000024



*Riley C. Darnell*

RILEY C. DARNELL  
SECRETARY OF STATE

# APPLICATION FOR CERTIFICATE OF AUTHORITY FOR

Worldwide Fiber Networks, Inc.

RECEIVED  
99 JUL -8 AMU: 3  
SECRETARY OF STATE

To the Secretary of State of the State of Tennessee:

Pursuant to the provisions of Section 48-25-103 of the Tennessee Business Corporation Act, the undersigned hereby applies for a certificate of authority to transact business in the State of Tennessee, and the purpose sets forth:

1. The name of the corporation is Worldwide Fiber Networks, Inc.

If different, the name under which the certificate of authority is to be obtained is \_\_\_\_\_

[NOTE: The Secretary of State of the State of Tennessee may not issue a certificate of authority to a foreign corporation for profit if its name does not comply with the requirements of Section 48-14-101 of the Tennessee Business Corporation Act. If obtaining a certificate of authority under an assumed corporate name, an application must be filed pursuant to Section 48-14-101(d).]

2. The state or country under whose law it is incorporated is Nevada

3. The date of its incorporation is June 12, 1998 (must be month, day, and year), and the period of duration, if other than perpetual, is \_\_\_\_\_

4. The complete street address (including zip code) of its principal office is \_\_\_\_\_

1575 Delucchi Lane, Suite 224, Reno, Nevada 89502

Street	City	State/Country	Zip Code
<u>1575 Delucchi Lane, Suite 224</u>	<u>Reno</u>	<u>Nevada</u>	<u>89502</u>

5. The complete street address (including the county and the zip code) of its registered office in this state is \_\_\_\_\_

c/o C T Corporation System, 530 Gay Street, Knoxville, Tennessee, County of Knox

Street	City/State	County	Zip Code
<u>c/o C T Corporation System</u>	<u>530 Gay Street</u>	<u>Knoxville, Tennessee</u>	<u>County of Knox</u>

The name of its registered agent at that office is \_\_\_\_\_

C T Corporation System

6. The names and complete business addresses (including zip code) of its current officers are: (Attach separate sheet if necessary.)

See attached list of officers

7. The names and complete business addresses (including zip code) of its current board of directors are: (Attach separate sheet if necessary.)

See attached list of directors

8. The corporation is a corporation for profit.

9. If the document is not to be effective upon filing by the Secretary of State, the delayed effective date/time is \_\_\_\_\_

N/A, 19 \_\_\_\_\_ (date), \_\_\_\_\_ (time).

[NOTE: A delayed effective date shall not be later than the 90th day after the date this document is filed by the Secretary of State.]

[NOTE: This application must be accompanied by a certificate of existence (or a document of similar import) duly authenticated by the Secretary of State or other official having custody of corporate records in the state or country under whose law it is incorporated. The certificate shall not bear a date of more than two (2) months prior to the date the application is filed in this state.]

June 30, 1999

Signature Date

Vice President

Signer's Capacity

Worldwide Fiber Networks, Inc.

Name of Corporation

James Cox

Name (typed or printed)

Appendix to **TENNESSEE** RECEIVED  
APPLICATION FOR CERTIFICATE OF AUTHORITY SECRETARY OF STATE

99 JUL -8 AM 11:20

**Officers of  
Worldwide Fiber Networks, Inc.**

---

1. Jerry Tharp, President  
1575 Delucchi Lane, Suite 224  
Reno, Nevada 89502
2. Ron Stevenson, Executive Vice President/Secretary  
1575 Delucchi Lane, Suite 224  
Reno, Nevada 89502
3. David Lede, Chief Executive Officer  
1575 Delucchi Lane, Suite 224  
Reno, Nevada 89502
4. Clifford Lede, Chief Operating Officer  
1575 Delucchi Lane, Suite 224  
Reno, Nevada 89502
5. John Mandrusiak, Executive Vice President  
1575 Delucchi Lane, Suite 224  
Reno, Nevada 89502
6. Stephen Stow, Executive Vice President  
1575 Delucchi Lane, Suite 224  
Reno, Nevada 89502
7. Lionel Desmarais, Sr. Vice President  
1575 Delucchi Lane, Suite 224  
Reno, Nevada 89502
8. James Cox, Vice President, Planning and Development  
1575 Delucchi Lane, Suite 224  
Reno, Nevada 89502
9. Bruce Tinney, Vice President, Business Development  
1575 Delucchi Lane, Suite 224  
Reno, Nevada 89502
10. Patrick Summers, Vice President, Legal and General Counsel  
1575 Delucchi Lane, Suite 224  
Reno, Nevada 89502
11. Matt Milstead, General Manager, East Coast  
1575 Delucchi Lane, Suite 224  
Reno, Nevada 89502
12. Carmen Drollinger, Financial Controller  
1575 Delucchi Lane, Suite 224  
Reno, Nevada 89502

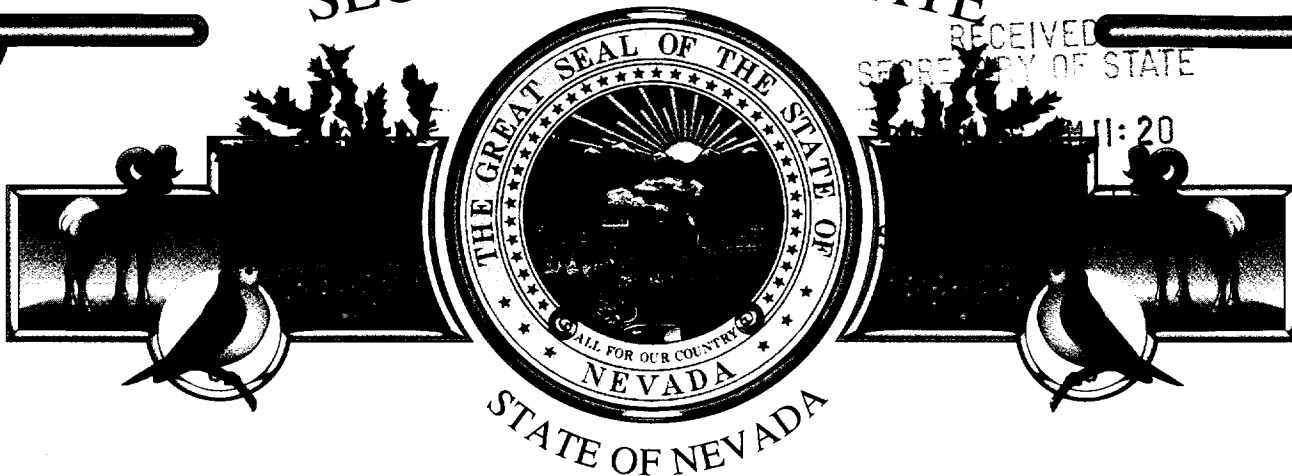
APPENDIX TO TENNESSEE  
APPLICATION FOR CERTIFICATE OF AUTHORITY

**Directors of  
Worldwide Fiber Networks, Inc.**

---

1. Jerry Tharp  
1575 Delucchi Lane, Suite 224  
Reno, Nevada 89502
2. Ron Stevenson  
1575 Delucchi Lane, Suite 224  
Reno, Nevada 89502
3. David Lede  
1575 Delucchi Lane, Suite 224  
Reno, Nevada 89502
4. Clifford Lede  
1575 Delucchi Lane, Suite 224  
Reno, Nevada 89502
5. Larry Olsen  
1575 Delucchi Lane, Suite 224  
Reno, Nevada 89502
6. Stephen Stow  
1575 Delucchi Lane, Suite 224  
Reno, Nevada 89502
7. Lionel Desmarais  
1575 Delucchi Lane, Suite 224  
Reno, Nevada 89502
8. Pat Michels  
1575 Delucchi Lane, Suite 224  
Reno, Nevada 89502
9. Brian Johnson  
1575 Delucchi Lane, Suite 224  
Reno, Nevada 89502

3240 0599  
SECRETARY OF STATE



## CERTIFICATE OF EXISTENCE WITH STATUS IN GOOD STANDING

I, DEAN HELLER, the duly elected and qualified Nevada Secretary of State, do hereby certify that I am, by the laws of said State, the custodian of the records relating to filings by corporations, limited-liability companies, limited partnerships, and limited-liability partnerships pursuant to Title 7 of the Nevada Revised Statutes which are either presently in a status of good standing or were in good standing for a time period subsequent of 1976 and am the proper officer to execute this certificate.

I further certify that the records of the Nevada Secretary of State, at the date of this certificate, evidence, **WORLDWIDE FIBER NETWORKS, INC.**, as a corporation duly organized under the laws of Nevada and existing under and by virtue of the laws of the State of Nevada since June 12, 1998, and is in good standing in this state.

IN WITNESS WHEREOF, I have hereunto set my hand  
and affixed the Great Seal of State, at my office, in  
Carson City, Nevada, on June 30, 1999.



*Dean Heller*  
Secretary of State

By

*J. M. Muechman*  
Certification Clerk



## **EXHIBIT C**

1794

**MANAGEMENT**1795 **Directors and Officers**

1796 Our directors and officers are set forth below:

<u>Name</u>	<u>Age</u>	<u>Position</u>
David Lede .....	51	Chairman of the Board and Chief Executive Officer
Clifford Lede .....	43	Vice-Chairman and Chief Operating Officer
Larry Olsen .....	50	Vice Chairman and Chief Financial Officer
Ron Stevenson .....	46	President and Director
Stephen Stow .....	45	Executive Vice President and Director
John Mandrusiak .....	67	Executive Vice President and Director
Lionel Desmarais .....	46	Senior Vice President and General Manager
Scott Lyons .....	44	Vice President, Marine Services
David Brierley .....	51	Vice President, Engineering
Scott Ballantine .....	42	Vice President, Business Development
William Ramsey .....	49	Vice President and Treasurer
William Walls .....	33	Manager, Finance

1797

1798

1799

1800

1801

David Lede has served as Chairman and Chief Executive Officer since our inception and as Chairman of the Board and Chief Executive Officer of Ledcor Inc. since 1983. Mr. Lede has been with Ledcor for 31 years and, prior to becoming Chairman of the Board and Chief Executive Officer of Ledcor, he held positions such as President, Vice President, Operations Manager and Superintendent.

1802

1803

1804

1805

Clifford Lede has served as Vice Chairman and Chief Operating Officer since our inception and as Vice Chairman and President and Chief Operating Officer of Ledcor Inc. since 1983. Mr. Lede has been with Ledcor for 24 years and, prior to becoming President and Chief Operating Officer of Ledcor, he held positions such as Vice President, Operations Manager and Superintendent. Clifford Lede and David Lede are brothers.

1806

1807

1808

1809

1810

1811

1812

1813

Larry Olsen has served as Vice Chairman and Chief Financial Officer since our inception. Mr. Olsen is also a member of the Board and Executive Committee of First Heritage Savings, a Canadian financial institution. Mr. Olsen was previously involved in several international business ventures throughout Asia, Australia and the Middle East. He has held the position of Managing Director, Chief Executive Officer and Executive Chairman of Crownhampton International Limited and Promet Petroleum and various other public and private companies involved in several different industries including offshore oil petroleum and exploration, offshore work vessels, high technology manufacturing, construction development and marketing for major technology companies.

1814

1815

1816

1817

Ron Stevenson has served as President and a Director since our inception and is a director of Ledcor. Prior to joining us, Mr. Stevenson spent 28 years with Ledcor. From 1989 to 1998, Mr. Stevenson was Senior Vice President of Operations for Ledcor's telecommunications and civil divisions and was responsible for construction and project development.

1818

1819

1820

1821

Stephen Stow has served as Executive Vice President, Corporate Development and a Director since our inception. Mr. Stow previously served as a principal in various venture capital activities. From 1992 to 1995, Mr. Stow was co-head and Director of Corporate Finance for National Westminster Bank's Asian investment banking operations.

1822 John Mandrusiak has served as Executive Vice President and a Director since our inception and has  
 1823 been a Director of Leducor for the past 36 years and an Executive Vice President since 1988. Mr. Mandrusiak has  
 1824 held various positions with Leducor, including Controller, Vice President, Finance and Chief Financial Officer.

1825 Lionel Desmarais has served as Senior Vice President and General Manager since our inception. Prior  
 1826 to joining us, Mr. Desmarais spent 12 years with Leducor. From 1993 to 1998, Mr. Desmarais was Vice President  
 1827 for Leducor's telecommunications division and has been responsible for overseeing the successful execution of  
 1828 numerous long-distance fiber optic networks, including the Canadian FOTS and the Calgary-Edmonton network.

1829 Scott Lyons has served as Vice President, Marine Services since our inception. From 1997 to 1998,  
 1830 Mr. Lyons was Vice President of Leducor's Marine Division and was responsible for its creation and management.  
 1831 Prior to that time, Mr. Lyons was President of Artech Enterprises from 1995 to 1997, President and Chief Oper-  
 1832 ating Officer of Hard Suits Inc. from 1994 to 1995 and from 1990 to 1994 as Chief Operating Officer of Rock-  
 1833 water Limited, a subsidiary of Brown and Root specializing in marine construction.

1834 David Brierley has served as Vice President, Engineering since our inception. From 1996 to 1998,  
 1835 Mr. Brierley was Vice President, Engineering of Leducor's telecommunications division and was primarily respon-  
 1836 sible for the engineering aspects of the planning, design, construction and maintenance for the Canadian FOTS.  
 1837 Prior to that time, Mr. Brierley was Manager of Technology Development for R.V. Anderson Associates Limited  
 1838 from 1994 to 1996, and Vice President of Delcan Corporation from 1992 to 1994.

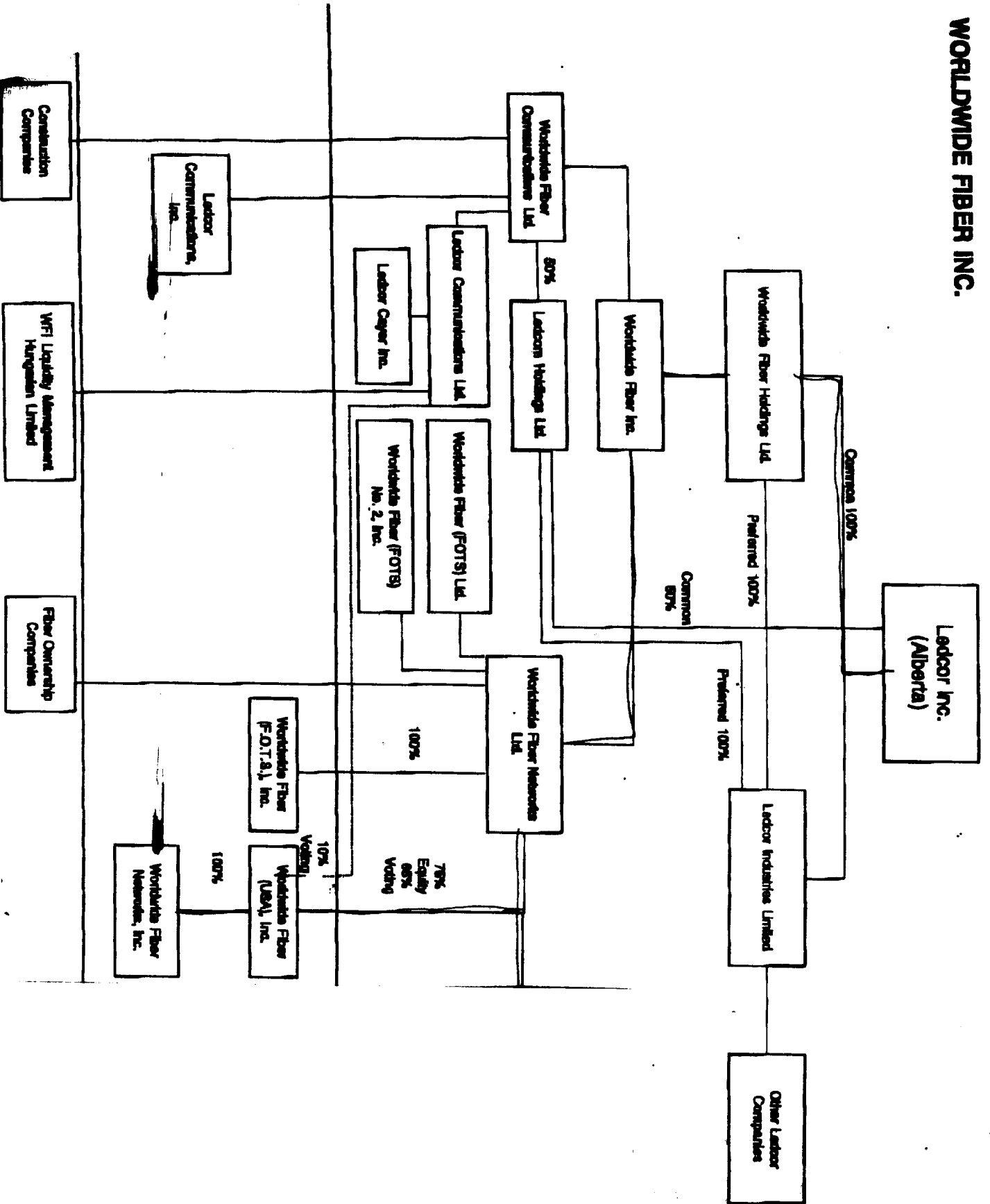
1839 Scott Ballentine has served as Vice President, Business Development since our inception. Prior to  
 1840 joining us, Mr. Ballentine spent 11 years with Leducor in senior marketing and business development positions.

1841 William Ramsey recently joined us as Vice President with responsibility for treasury functions. He was  
 1842 previously Chief Financial Officer, for 13 years, of WIC Western International Communications Ltd., a publicly  
 1843 traded Canadian broadcasting company.

1844 William Walls has served as Manager of Finance since our inception. Prior to joining us, Mr. Walls  
 1845 was a principal in various venture capital activities and has been a director or senior financial officer of several  
 1846 Canadian and U.S. publicly-listed companies.

## **EXHIBIT D**

# WORLDWIDE FIBER INC.



## **EXHIBIT E**



PricewaterhouseCoopers LLP  
Chartered Accountants  
1111 West Hastings Street  
Vancouver British Columbia  
Canada V6E 3R2  
Telephone +1 (604) 806 7000  
Facsimile +1 (604) 806 7806

## Report of Independent Accountants

To the Board of Directors and Shareholders of  
Worldwide Fiber (USA), Inc.  
(formerly Pacific Fiber Link, Inc.)

In our opinion, the accompanying consolidated balance sheet and related consolidated income statement and statements of changes in shareholders' equity and of cash flows present fairly, in all material respects, the financial position of Worldwide Fiber (USA), Inc. (formerly Pacific Fiber Link, Inc.) and its subsidiaries at December 31, 1998, and the results of their operations and their cash flows for the period from February 11, 1998 to December 31, 1998, in conformity with generally accepted accounting principles in the United States. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for the opinion expressed above.

A handwritten signature in cursive script that reads "PricewaterhouseCoopers LLP".

Vancouver, Canada  
March 12, 1999

PricewaterhouseCoopers LLP is a Canadian member firm of PricewaterhouseCoopers International Limited, an English company limited by guarantee.

**Worldwide Fiber (USA), Inc.**

(formerly Pacific Fiber Link, Inc.)

**Consolidated Balance Sheet****As at December 31, 1998**

(tabular amounts expressed in thousands of U.S. dollars)

**Assets****Current assets**

Cash and cash equivalents

\$ 2,242

Accounts receivable (note 4)

3,090

Unbilled revenue (note 4)

9,634

Inventory (note 4)

23,835

38,801

**Fixed assets (note 4)**7,178\$ 45,979**Liabilities****Current liabilities**

Accounts payable (note 4)

\$ 17,445

Income taxes payable

980

Due to parent (note 4)

21,78340,208**Shareholders' Equity****Share capital**

Authorized (note 5)

25,000 non-voting common shares, without par value

25,000 Class A voting preferred shares, without par value

100,000 Class B non-voting preferred shares, without par value

Issued and outstanding

200 non-voting common shares and 200 Class A voting preferred  
shares (note 5)

3,915

1,856**Retained earnings**5,771\$ 45,979**Commitments (note 11)**

Approved by the Board of Directors

Director

Director

The accompanying notes are an integral part of these consolidated financial statements



**Worldwide Fiber (USA), Inc.**

(formerly Pacific Fiber Link, Inc.)

**Consolidated Income Statement****For the period from February 11, 1998 to December 31, 1998**

(tabular amounts expressed in thousands of U.S. dollars)

<b>Revenue</b>	<b>\$</b>	<b>21,071</b>
<b>Costs</b>		<b>16,533</b>
<b>Gross profit</b>		<b>4,538</b>
<b>Expenses</b>		<b>1,683</b>
General and administrative		<b>2,855</b>
<b>Interest expense</b>		<b>72</b>
<b>Interest income</b>		<b>53</b>
<b>Income before income taxes</b>		<b>2,836</b>
<b>Provision for income taxes</b>		<b>980</b>
<b>Net income for the period</b>	<b>\$</b>	<b>1,856</b>

The accompanying notes are an integral part of these consolidated financial statements

**Worldwide Fiber (USA), Inc.**

(formerly Pacific Fiber Link, Inc.)

**Notes to Consolidated Financial Statements****December 31, 1998**

---

(tabular amounts expressed in thousands of U.S. dollars)

**1 The Company**

Worldwide Fiber (USA), Inc. (the "Company"), formerly known as Pacific Fiber Link, Inc., was incorporated on August 7, 1998. The Company was inactive until August 31, 1998. On August 31, 1998, the Company acquired 100% of the ownership interest of Worldwide Fiber Networks, Inc. ("WFNI") (formerly Pacific Fiber Link, LLC) from its two members, Leducor Industries Limited ("Leducor") and Mi-Tech Communications, LLC ("Mi-Tech"), in exchange for 100 non-voting common shares and 100 Class A voting preferred shares of the Company. The acquisition was accounted for in a manner similar to a pooling of interests on the basis that the ownership interests before and after the acquisition remained the same. Accordingly, the financial statements presented include the results of operations of the Company and WFNI from February 11, 1998, the date that WFNI was organized.

On December 31, 1998, the Company issued 100 shares of non-voting common shares and 100 Class A voting preferred shares as consideration for the settlement of indebtedness owed to Worldwide Fiber Inc. ("WFI" or "parent") of \$3,915,000 increasing WFI's interest from 50% to 75%.

The Company has entered into a shareholders' agreement among WFI, Leducor, Mi-Tech and Michels Pipeline Construction, Inc. (an affiliate of Mi-Tech) whereby:

- (i) Any sale, transfer, assignment or encumbrance or divestment of any interest in or control of the Company to a third party is restricted. In the event of a proposed sale of the shares of the Company held by WFI, Mi-Tech will have certain tag-along rights. If there is a change of control of the Company, Mi-Tech has the option to require the Company to purchase all of the shares owned by Mi-Tech or its affiliates at the fair market value of such shares. In addition, after the tenth anniversary of this agreement Mi-Tech has the option to require the Company to purchase all of the shares owned by Mi-Tech and its affiliates at fair market value. If Mi-Tech exercises this option, WFI can elect to sell all of the shares or assets of the Company to a third party in which case WFI will not be required to purchase Mi-Tech's shares.
- (ii) The Company has an option to purchase from Mi-Tech 24 fiber optic strands along certain existing routes owned by Mi-Tech and its affiliates at fair value. The Company also has an option to purchase from WFI and its affiliates, indefeasible rights of use of 24 fiber optic strands from its Chicago-New Orleans route if and when built, at fair value. These options expire one year after the strands are available.
- (iii) If WFI were to issue shares in a public offering having an aggregate value of at least \$20,000,000, Mi-Tech has the option to convert all of the shares of the Company held by Mi-Tech and its affiliates into the class and series of shares being offered to the public.

The Company's operations consist of developing, engineering, constructing, installing and maintaining fiber optic networks assets. The Company's primary customers are telecommunications carriers and fiber optic systems developers located in the U.S.

**Worldwide Fiber (USA), Inc.**  
(formerly Pacific Fiber Link, Inc.)  
Notes to Consolidated Financial Statements  
December 31, 1998

---

(tabular amounts expressed in thousands of U.S. dollars)

**2 Summary of significant accounting policies**

**Basis of presentation**

These consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States and include the accounts of the Company and its wholly-owned subsidiaries. All significant intercompany transactions and balances have been eliminated on consolidation.

**Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses for the period reported. Actual results could differ from those estimates.

**Cash and cash equivalents**

Cash and cash equivalents consists of cash on deposit and highly liquid short-term interest bearing securities with maturity at the date of purchase of three months or less.

**Fixed assets**

Fiber optic network assets and other assets are recorded at cost. Fixed assets are depreciated using the following rates and methods:

- Fiber optic network assets – straight-line method over the estimated useful lives of the assets.
- Other assets – straight-line method, over the estimated useful lives of the assets.

**Inventory**

Inventory consists of fiber optic network assets to be sold or leased and are recorded at the lower of cost and market. Cost includes direct materials, subcontractors charges, labour and interest.

**Unbilled revenue**

Revenue recognized using the cost-to-cost method (see "Revenue recognition") less billings to date is recorded as unbilled revenue.

**Worldwide Fiber (USA), Inc.**  
(formerly Pacific Fiber Link, Inc.)  
Notes to Consolidated Financial Statements  
December 31, 1998

---

(tabular amounts expressed in thousands of U.S. dollars)

**Income taxes**

Income taxes are accounted for using an asset and liability approach, which requires the recognition of taxes payable or refundable for the current period and deferred tax liabilities and assets for future tax consequences of events that have been recognized in the Company's financial statements or tax returns. The measurement of current and deferred tax liabilities and assets are based on provisions of enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. The measurement of deferred tax assets is reduced, if necessary, by a valuation allowance, where based on available evidence, the probability of realization of the deferred tax asset, does not meet a more likely than not criteria.

**Revenue recognition**

Revenue and income from construction contracts to develop fiber optic network assets, are determined on the percentage-of-completion basis using the cost-to-cost method. Provision is made for all anticipated losses as soon as they become evident. Claims for additional contract compensation are not recognized until resolved.

**Foreign currency transactions**

The Company uses the U.S. dollar as its functional currency. Gains or losses from foreign currency transactions are included in the consolidated income statement.

**Fair value of financial instruments**

The fair value of the Company's financial instruments consisting of cash and cash equivalents, accounts receivable, unbilled revenue, accounts payable, income taxes payable, and due to parent approximates their carrying values due to their short-term nature.

**Recent accounting pronouncements**

In June 1998, the Financial Accounting Standards Board issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities". This statement establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts and for hedging activities. The Company does not expect the adoption of SFAS No. 133 to have material impact on its consolidated financial statements.

**Worldwide Fiber (USA), Inc.**  
 (formerly Pacific Fiber Link, Inc.)  
 Notes to Consolidated Financial Statements  
 December 31, 1998

---

(tabular amounts expressed in thousands of U.S. dollars)

**3 Supplemental cash flow information**

Cash paid for income taxes	\$	-
Cash paid for interest		-
Supplemental non-cash investing and financing activities		
Issuance of shares:		
To acquire Worldwide Fiber Networks Inc.		-
In exchange for surrender of note payable to WFI		3,915

**4 Balance Sheet components**

Accounts receivable		
Trade accounts receivable	\$	3,090
Unbilled revenue		
Revenue earned on uncompleted contracts	\$	21,071
Less: Billings to date		11,437
	\$	9,634

Each contract specifies individual billing arrangements as specified in the contract.

Inventory		
Fiber optic network assets	\$	23,835
Fixed assets		
Fiber optic network assets	\$	7,178
Less: Accumulated depreciation		-
Fixed assets - net	\$	7,178

The Company has not provided for any depreciation of the fiber optic network assets for the period ended December 31, 1998 as these assets were under construction.

Accounts payable		
Subcontractor and supplier costs	\$	12,544
Subcontractor and supplier holdbacks payable		4,844
Washington State tax payable		57
	\$	17,445

**Due to parent**

Due to parent consists of advances made during the period. The advances bear interest at the rate of 12.625% and have no stated terms of repayment.

**Worldwide Fiber (USA), Inc.**  
(formerly Pacific Fiber Link, Inc.)  
Notes to Consolidated Financial Statements  
December 31, 1998

---

(tabular amounts expressed in thousands of U.S. dollars)

**5 Share capital**

**a) Preferred shares**

**Authorized**

The Company is authorized to issue 125,000 preferred shares without par value; 25,000 Class A voting preferred shares and 100,000 Class B non-voting preferred shares. As at December 31, 1998, there were 200 Class A voting preferred shares issued.

**Voting**

The holders of Class A preferred shares are entitled to attend shareholder meetings and to one vote for each share held. The holders of Class A preferred shares have no other rights, preferences or privileges. The holders of Class B preferred shares are not entitled to vote or attend shareholder meetings.

**Dividends**

The holders of Class B preferred shares are entitled to receive a dividend when declared by the Board of Directors, payable in preference to the dividends payable on any other classes of shares.

**Return of capital**

In the event the Company is liquidated, dissolved or wound up, the holders of Class B preferred shares shall be entitled to such rights as expressed in the resolution for the issue of such Class B shares, adopted by the Board of Directors.

**Redemption and retraction**

The Company may redeem or purchase Class B preferred shares at such time and such price as expressed in the resolution for the issue of Class B preferred shares, adopted by the Board of Directors.

**b) Common shares**

**Authorized**

The Company is authorized to issue 25,000 non-voting common shares, without par value. As at December 31, 1998, there were 200 non-voting common shares issued.

**Worldwide Fiber (USA), Inc.**  
(formerly Pacific Fiber Link, Inc.)  
Notes to Consolidated Financial Statements  
December 31, 1998

---

(tabular amounts expressed in thousands of U.S. dollars)

**6 Provision for income taxes**

The provision for current income taxes attributable to net income consists of the following:

U.S. federal	\$	953
U.S. state and local		27
	\$	<u>980</u>

The Company's statutory rate of 34% is not materially different to its effective rate of 34.6%.

**7 Concentration of credit risk**

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash and cash equivalents, accounts receivable and unbilled revenue. Accounts receivable are not collateralized. The Company limits its exposure to credit loss by placing its cash and cash equivalents with high credit quality financial institutions. Concentrations of credit risk with respect to accounts receivable and unbilled revenue are considered to be limited due to the credit quality of the customers comprising the Company's customer base.

The Company performs ongoing credit evaluations of its customers' financial condition to determine the need for an allowance for doubtful accounts. The Company has not experienced significant credit losses to date. At December 31, 1998 seven customers accounted for the entire accounts receivable and unbilled revenue balances.

**8 Revenue and significant customers**

During the period ended December 31, 1998, the Company's revenue from its three largest customers represented individually 35%, 30% and 13% of total revenue.

**9 Related party transactions**

The Company reimburses Ledcor and Mi-Tech for expenses incurred on the Company's behalf. For the period ended December 31, 1998 the amount of these transactions with Ledcor and Mi-Tech was \$1,469,000 and \$1,401,000 respectively. As at December 31, 1998 accounts payable includes \$478,000 owed to Ledcor and \$524,000 owed to Mi-Tech.

**Worldwide Fiber (USA), Inc.**  
(formerly Pacific Fiber Link, Inc.)  
Notes to Consolidated Financial Statements  
December 31, 1998

---

(tabular amounts expressed in thousands of U.S. dollars)

**10 Segmented information**

The Company operates within a single operating segment being the construction and installation of fiber optic network assets in the United States. All revenues are earned from U.S. sources and all long lived assets are located in the U.S.

**11 Commitments**

**Network developments**

The Company has, in the normal course of business, entered into agreements to provide construction services and fiber optic network assets to third parties in Canada and the United States.

**Right of way access agreements**

The Company has entered into various agreements during the year to secure the rights of ways along its network routes. In general, most agreements have an option renewal clause stating that grantors cannot unjustly withhold their acceptance of a renewal.

**Operating leases**

The Company leases certain facilities and equipment used in its operations under operating leases. Future minimum lease payments under these lease agreements at December 31, 1998 are as follows:

1999	\$	205
2000		83
2001		50
2002		34
2003 and beyond		—



## **EXHIBIT F**

**BEFORE THE TENNESSEE REGULATORY AUTHORITY**

**IN THE MATTER OF THE )  
APPLICATION OF WORLDWIDE FIBER )  
NETWORKS, INC. FOR A CERTIFICATE )  
TO PROVIDE COMPETING INTRASTATE )  
AND INTERSTATE INTEREXCHANGE )  
AND LOCAL EXCHANGES SERVICES )  
IN TENNESSEE )**

**NO. \_\_\_\_\_**

**TESTIMONY OF PATRICK F. SUMMERS**

**Q: PLEASE STATE YOUR NAME, POSITION AND BUSINESS ADDRESS.**

**A: My name is Patrick F. Summers. I am the Vice President, General Counsel of Worldwide Fiber Networks, Inc. ("Worldwide Fiber") and my business address is 1333 West 120<sup>th</sup> Avenue, Suite 216, Westminster, Colorado 80234.**

**Q: PLEASE DESCRIBE YOUR BUSINESS EXPERIENCE AND BACKGROUND.**

**A: My business experience and background is as follows: Previous to receiving my law degree, I was involved in real estate development. I received a J.D. from the University of Oklahoma in 1993. I practiced corporate real estate and securities law for five years in private firms until accepting the position of Vice President, General Counsel of Worldwide Fiber in May of 1998. Since then I have been responsible for the legal matters for the company and am extremely familiar with its financial, managerial and technical qualifications to provide telecommunications services.**

**Q: HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE REGULATORY AUTHORITY?**

A: No.

Q: HAS WORLDWIDE FIBER PREVIOUSLY APPLIED FOR CERTIFICATION TO PROVIDE INTRASTATE OR INTERSTATE SERVICES IN TENNESSEE?

A: No.

Q: WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A: The purpose of my testimony is: (a) to describe Worldwide Fiber's corporate structure; (b) to describe the financial, technical and managerial resources of Worldwide Fiber in order to show that Worldwide Fiber has resources, experience and abilities to provide the services described in its Application for a Certificate; (c) to describe the Application of Worldwide Fiber for a Certificate; and (d) to comment on the public need for, and the public benefits of, Worldwide Fiber's proposed service.

Q: PLEASE DESCRIBE WORLDWIDE FIBER'S CORPORATE STRUCTURE AND AUTHORITY.

A: Worldwide Fiber is a Nevada corporation with its principal place of business in Westminster, Colorado. Worldwide Fiber is authorized to transact business as a foreign corporation in the State of Tennessee and has provided evidence of such in its Application as Exhibit B.

Q: PLEASE DESCRIBE WORLDWIDE FIBER'S TECHNICAL AND MANAGERIAL QUALIFICATIONS TO OPERATE THE NETWORKS.

A: The Applicant will be a facilities-based provider of technologically advanced dark fiber and related infrastructure as well as high-bandwidth fiber optic transmission capacity. The Applicant is building a North American network consisting of two primary east-west

routes and three primary north-south routes. Worldwide Fiber will provide high capacity interexchange and local transport on a leased long-term basis and may provide broadband services. The ability of Worldwide Fiber's management team to provide local and long distance services through the use of its own facilities is further evidenced by the brief profiles of the management team in Exhibit C to Worldwide Fiber's Application.

Q: PLEASE DESCRIBE WORLDWIDE FIBER'S FINANCIAL QUALIFICATIONS TO PROVIDE FACILITIES-BASED SERVICES IN TENNESSEE.

A: Worldwide Fiber, through the assets of its parent company, is financially well qualified to provide telecommunications services in Tennessee. The financial resources available to the Applicant are described in its Application and set forth in Worldwide Fiber (USA), Inc.'s financial statements appended thereto as Exhibit E.

Q: IN YOUR OPINION, ARE THE FINANCIAL RESOURCES AVAILABLE TO WORLDWIDE FIBER ADEQUATE TO PERMIT IT TO OFFER THE SERVICES DESCRIBED IN ITS APPLICATION?

A: Yes.

Q: HOW ARE TROUBLE REPORTS HANDLED?

A: Once service is commenced, trouble or billing inquiries will be reported by the customer directly to Worldwide Fiber via a toll-free number. Worldwide Fiber's Customer Support Center will promptly respond to customer inquiries.

Q: HOW ARE BILLING ERRORS AND COMPLAINTS HANDLED?

A: Worldwide Fiber will be responsible for all customer inquiries and complaints. The toll-free telephone number for customer inquiries and complaints will be provided on all customer bills and in all Worldwide Fiber mailings.

Q: PLEASE DESCRIBE THE AUTHORITY THAT WORLDWIDE FIBER SEEKS BY THIS APPLICATION.

A: By this Application, Worldwide Fiber seeks authority to provide facilities-based competing Intrastate and Interstate interexchange services and local exchange telecommunications services to customers in Tennessee.

Q: WHAT GEOGRAPHIC AREAS WILL WORLDWIDE FIBER SERVE?

A: Worldwide Fiber seeks authority to provide local exchange telecommunications services in all exchanges currently served by BellSouth and Sprint/United which are currently open to competition and interexchange authority statewide.

Q: PLEASE DESCRIBE THE PUBLIC BENEFITS ASSOCIATED WITH WORLDWIDE FIBER'S PROPOSED OFFERING OF FACILITIES-BASED LOCAL AND LONG DISTANCE TELECOMMUNICATIONS SERVICES WITHIN TENNESSEE.

A: Applicant's proposed telecommunications services are developed to serve the long-distance and local transport needs of subscribers who cannot otherwise realize similar cost savings through major carriers. Additionally, an increase in the traffic generated through provision of Applicant's proposed services over the applicant's facilities will improve the efficiency and reduce costs in provision of these services. Overall, the public will benefit from greater consumer choice created through the broadening of

innovative telecommunications service alternatives and ongoing affordable rates maintained by the additional competitive pressure placed on other competitors.

Q: DOES THIS CONCLUDE YOUR TESTIMONY?

A: Yes, it does.

**VERIFICATION**

**STATE OF COLORADO**

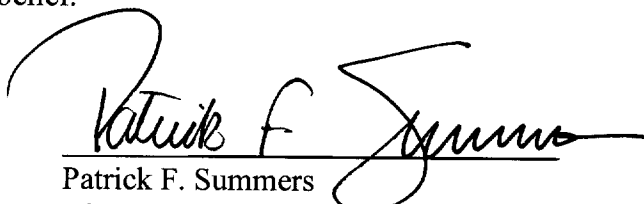
)

**COUNTY OF ADAMS**

)

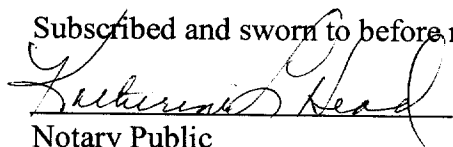
)

Patrick F. Summers, being first duly sworn, deposes and states that he is Vice President, General Counsel of Worldwide Fiber Networks, Inc. and that the contents of the filed Testimony is true to the best of his knowledge and belief.



Patrick F. Summers  
Vice President, General Counsel  
Worldwide Fiber Networks, Inc.

Subscribed and sworn to before me on the 29 day of July, 1999



Notary Public  
State of Colorado

My Commission expires: 1-9-2001

## **EXHIBIT G**



1  
2 BEFORE THE  
3 TENNESSEE REGULATORY AUTHORITY

4 IN RE: )  
5 )

6 APPLICATION OF WORLDWIDE FIBER )  
7 NETWORKS, INC. FOR A CERTIFICATE TO )  
8 PROVIDE COMPETING INTRASTATE AND )  
9 INTERSTATE INTEREXCHANGE AND )  
10 LOCAL EXCHANGE SERVICES IN )  
11 TENNESSEE )  
12 )  
13 )  
14 )  
15 )  
16 )  
17 )  
18 )  
19 )  
20 )  
21 )  
22 )  
23 )  
24 )  
25 )  
26 )

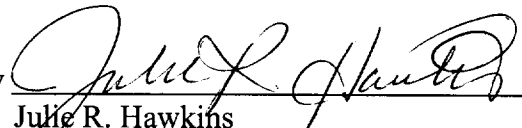
NOTICE OF APPLICATION

TO: All Incumbent Local Exchange Carriers

YOU ARE HEREBY NOTIFIED that Worldwide Fiber Networks, Inc. has filed with the Tennessee Regulatory Authority for Issuance of a Certificate to Provide Competing Intrastate and Interstate Interexchange and Local Exchange Services in Tennessee. Local services will be offered in the areas currently served by BellSouth and Sprint/United which are open to competition. Interexchange services will be offered statewide.

DATED this 29<sup>th</sup> day of July 1999.

Worldwide Fiber Networks, Inc.

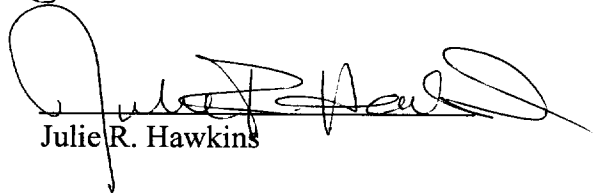
By   
Julie R. Hawkins  
Assistant General Counsel  
Worldwide Fiber Networks, Inc.  
1333 West 120<sup>th</sup> Avenue, Suite 216  
Westminster, Colorado 80234

Certificate of Service

I hereby certify that I have this day served the foregoing notice on the following persons and parties as required by the rules of the Tennessee Regulatory Authority:

All incumbent local exchange carriers on the attached list.

Dated in Denver, Colorado on July 30<sup>th</sup>, 1999.

  
Julie R. Hawkins

Ardmore Telephone Co., Inc.  
Terry Wales, General Manager  
P.O. Box 549  
517 Ardmore Ave.  
Ardmore, TN 38449

Bellsouth  
DeWitt Ezell, President  
333 Commerce Street  
Nashville, TN 37201-3300

Century Telephone of Adamsville  
David Dickey, Division Manager  
P.O. Box 405  
116 N. Oak Street  
Adamsville, TN 38310

Century Telephone of Claiborne  
Don Ray Fannon, Division Mgr.  
P.O. Box 100  
507 Main Street  
New Tazewell, TN 37825

Century Telephone of  
Ooltewah-Collegedale, Inc.  
Terry Crutchfield, Division Mgr.  
P.O. Box 782, 5616 Main St.  
Ooltewah, TN 37363

Citizens Communications Company  
Alice Camuti, Director  
P.O. Box 689  
250 South Franklin Street  
Cookeville, TN 38501

Loretto Telephone Company, Inc.  
Louise Brown, President  
P.O. Box 130  
Loretto, TN 38469

Millington Telephone Company  
W.S. Howard, President  
4880 Navy Road  
Millington, TN 38053

Sprint-United  
Steve Parrott  
Director-Regulatory Affairs  
112 Sixth St.  
Bristol, TN 37620

TDS Telecom-Concord  
Telephone Exchange, Inc.  
Jerry Parkerson, Manager  
P.O. Box 22610, 701 Concord Rd.  
Knoxville, TN 37933-0610

TDS Telecom - Humphreys  
County Telephone Company  
Bernard Arnold, Manager  
P.O. Box 552, 203 Long St.  
New Johnsonville, TN 37134-0552

TDS Telecom - Tellico Telephone  
Company, Inc.  
Carl Lester, Manager  
P.O. Box 9, 102 Spence St.  
Tellico Plains, TN 37385-0009

TDS Telecom - Tennessee  
Telephone Company  
P.O. Box 18139  
Knoxville, TN 37928-2139

TEC - Crockett Telephone  
Company, Inc.  
P.O. Box 7  
Friendship, TN 38034

TEC - People's Telephone Co., Inc.  
P.O. Box 310  
Erin, TN 37061

TEC - West Tennessee  
Telephone Company, Inc.  
P.O. Box 10  
244 E. Main Street  
Bradford, TN 38316

United Telephone Company  
P.O. Box 38  
120 Taylor Street  
Chapel Hill, TN 37034

## **EXHIBIT H**

**WORLDWIDE FIBER NETWORKS, INC.**

**SMALL AND MINORITY OWNED  
TELECOMMUNICATIONS BUSINESS  
PARTICIPATION PLAN**

Pursuant to T.C.A. § 65-5-212, as amended, Worldwide Fiber Networks, Inc. (“WFN”) submits this small and minority-owned telecommunications business participation plan (“Plan”) along with its Application for a Certificate of Public Convenience and Necessity to provide competing intrastate and interstate interexchange and local exchange service in the State of Tennessee.

**1. PURPOSE**

The purpose of Section 65-5-212 is to provide opportunities for small and minority-owned businesses to provide goods and services to telecommunications service providers. WFN is committed to the goals of Section 65-5-212 and to taking steps to support the participation of small and minority-owned telecommunications businesses in the telecommunications industry. WFN will endeavor to provide opportunities for small and minority-owned telecommunications businesses to compete for contracts and subcontracts for goods and services. As part of its procurement process, WFN will make efforts to identify and inform minority-owned and small businesses that are qualified and capable of providing goods and services to WFN of such opportunities. WFN’s representatives will contact the Department of Economic and Community Development, the administrator of the small and minority-owned telecommunications assistance program, to obtain a list of qualified vendors. Moreover, WFN will seek to increase awareness of such opportunities so that companies not otherwise identified will have sufficient information to participate in the procurement process.

## **II. DEFINITIONS**

As defined in Section 65-5-212:

*Minority-Owned Businesses.* Minority-owned business shall mean a business which is solely owned, or at least fifty-one percent (51%) of the assets or outstanding stock of which is owned, by an individual who personally manages and controls daily operations of such business and who is impeded from normal entry into the economic mainstream because of race, religion, sex or national origin and such business has annual gross receipts of less than four million dollars (\$4,000,000).

*Small Business.* Small business shall mean a business with annual gross receipts of less than four million dollars (\$4,000,000).

## **II. ADMINISTRATION**

WFN's Plan will be overseen and administered by the individual named below, hereinafter referred to as the Administrator, who will be responsible for carrying out and promoting WFN's full efforts to provide equal opportunities for small and minority-owned businesses. The current Administrator of the Plan will be:

Julie R. Hawkins, Worldwide Fiber Networks, Inc., 1333 W. 120<sup>th</sup> Avenue,  
Westminster, Colorado 80234

The Administrator's responsibilities will include:

- (1) maintaining an updated Plan in compliance with Section 65-5-212 and the rules and orders of the Tennessee Regulatory Authority.



- (2) Establishing and developing policies and procedures necessary for the successful implementation of the Plan.
- (3) Preparing and submitting such forms as may be required by the Tennessee Regulatory Authority, including the filing of required annual updates.
- (4) Serving as the primary liaison to and cooperate with the Tennessee Regulatory Authority, other agencies of the State of Tennessee, and small and minority-owned businesses to locate and use qualified small and minority-owned businesses as defined in Section 65-5-212.
- (5) Searching for and developing opportunities to use small and minority-owned businesses and encouraging such businesses to participate in and bid on contracts and subcontracts.
- (6) Providing records and reports and cooperate in any authorized surveys as required by the Tennessee Regulatory Authority.
- (7) Establishing a record-keeping system to track qualified small and minority-owned businesses and efforts to use such businesses.
- (8) Providing information and educational activities to persons within WFN and training such persons to seek out, encourage, and promote the use of small and minority-owned businesses.

In performance of these duties, the Administrator will utilize a number of resources, including

Chambers of Commerce  
The Tennessee Department of Economic and Community Development  
The United States Department of Commerce  
Small Business Administration  
Office of Minority Business  
The National Minority Supplier Development Council

The National Association of Women Business Owners  
The National Association of Minority Contractors  
Historically Black Colleges, Universities and Minority Institutions

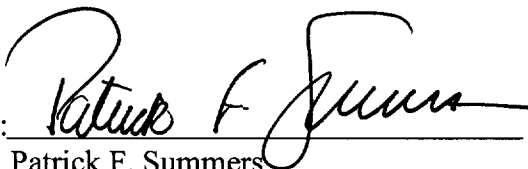
The efforts to promote and ensure equal opportunities for small and minority-owned businesses are primarily spelled out in the Administrator's duties above. Additional efforts to provide opportunities to small and minority-owned businesses will include offering, where appropriate and feasible, small and minority-owned businesses assistance with technical, insurance, bonding, licensing, production, and deadline requirements.

### **III. RECORDS AND COMPLIANCE REPORTS**

WFN will maintain records of qualified small and minority-owned businesses and make efforts to use the goods and services of such businesses. In addition, WFN will maintain records of education and training activities conducted or attended and of the internal procurement procedures adopted to support this Plan.

WFN will submit records and report required by the Tennessee Regulatory Authority concerning the Plan. Moreover, WFN will cooperate fully with any surveys and studies required by the Tennessee Regulatory Authority.

WORLDWIDE FIBER NETWORKS, INC.

By:   
Patrick F. Summers  
Vice President, General Counsel